

Russia and Northeast Asia

Charles E. Ziegler, University of Louisville

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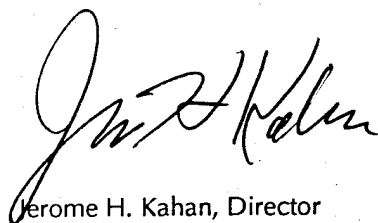
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Jerome H. Kahan, Director
Regional Issues Team
Policy, Strategy, and Forces Division

The Research Memorandum represents the best opinion of CNA at the time of issue. It does not necessarily represent the opinion of the Department of the Navy.

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Summary

The Commander, Seventh Fleet, asked CNA to assess the security environment of the Asia-Pacific Region (APR) between now and 2010. This research memorandum focuses on the most probable evolutionary trends for Russia and the Russian Far East during this period. It is based on information available through March 1995. The project's final report, *The Dynamics of Security in the Asia-Pacific Region*, CNA Research Memorandum (CRM 95-172, January 1996), discusses the implications of these trends (and of the probable trends in other countries of the region) for U.S. forces, particularly the Navy.

Factors

In general

The traditional view of Siberia and the Russian Far East as immensely wealthy and highly vulnerable to foreign encroachment has not changed with the breakup of the Soviet Union, and should not be expected to change any time in the near future. At present there are no direct threats to this region. Over the next ten to 15 years, all Russian territory east of the Urals will be defended, politically and militarily if need be, as vital to the rebuilding of Russian greatness. Russia's government, regardless of political coloration, will be hard-pressed to make any territorial concessions, especially given the current backlash to the collapse of the USSR. Russia will be highly sensitive to any perceived foreign encroachments on its Far Eastern territories. Moscow's leaders may be expected to resist perceived violations of Russian sovereignty energetically.

The central government will not be able to marshal the resources to significantly strengthen the economic base or infrastructure of the region—it simply will not have the capability in the near future. Finally, despite rumors of separatism, we should not expect serious attempts to break off from the Russian Federation.

The United States and Western Europe remain in a position of secondary importance for Russian foreign policy—behind newly independent states (the “near abroad”), but ahead of Asia. Nevertheless, we may expect Russian foreign policy to move gradually toward closer ties with Asia over the next ten to 15 years. Russia’s chaotic internal politics, the precipitous decline of the Russian military (the Pacific Fleet has been particularly hard hit), and the porous borders argue for a heightened sense of unease about Russia’s security in this region. It is highly unlikely that Russia will attempt to reconstruct the military force necessary to project power into the APR. Moscow has neither the capabilities nor the intent, and public opinion would not support such a move. Only the most extreme nationalist forces, who are not likely to gain power, would contemplate this course of action.

Foreign affairs

Convergent Russian and Chinese interests would appear to outweigh conflicting interests over the next ten to 15 years. China and Russia may be expected to cooperate to maintain stability in Central Asia and to dampen pan-Turkic or pan-Mongol movements. China’s incipient efforts at power projection do not directly challenge Russia’s interests.

Russia would like to improve relations with Japan. However, domestic political turmoil in both countries inhibits significant progress. Neither government is, or soon will be, strong enough to overcome the territorial obstacle. A stronger Russian government, whether democratic or authoritarian, will likely respond to nationalist pressures lobbying against compromise with Japan on the Kuriles. The prognosis for the next ten to 15 years is for a slightly improved working relationship, premised on the assumption that Japan does not acquire nuclear weapons. A more assertive, nuclear Japan would alarm decision makers in Moscow and could prompt measures to rebuild Russia’s Pacific Fleet.

Russian–Korean relations are good, but limited by Russia’s weak economic position. Should the Russian economy take off, relations may be expected to improve significantly. Politically, South Korea and Russia agree on the goal of containing the North’s nuclear program,

although Seoul realizes Moscow has minimal leverage with Pyongyang.

Russia is, and will likely remain, a marginal player in East Asian regional institutions over the next decade. In part, this is a function of the low level of multilateral institutionalization in the region; in part, it is a function of Russia's marginal presence in, and importance to, the region.

Economics

Exclusive reliance on unprocessed exports will perpetuate Russia's status as an economic backwater in Asia. Arms exports are only an interim solution, since much of the Far Eastern defense infrastructure has collapsed or been converted to civilian production. The probability that over the next ten to 15 years the Russian Far East will develop a dynamic, high-value-added economy that will link it closely to Asian-Pacific dynamism is remote.

Policy implications

The implications for U.S. policy are as follows:

- The collapse of much of the former Soviet defense industry has contributed to social dislocation in the Far East. Continued progress in defense conversion would strengthen the regional economy, and would reduce domestic pressures for expanding arms sales in order to buoy this sector of the economy. This in turn might help slow an arms build-up in East Asia.
- The United States should support Russian participation in the emerging economic, political, and security structures in the Asian-Pacific Region and be willing to involve Russia in negotiations on the Korean nuclear issue, although not all of Moscow's proposals (for a multilateral conference, for example) may be helpful. Russia has only residual influence with Pyongyang, but again the point is to avoid a policy of exclusion that would fuel Russian nationalism. In any case, Russia has been supportive of U.S. efforts to denuclearize the peninsula. Much of current Russian resentment directed against the United

States stems from the perception that America is trying to relegate Russia to the status of a junior partner in world affairs.

- Given heightened regional uncertainties in the post-Cold War era, the United States should be extremely cautious in drawing-down military forces stationed in the Asia-Pacific. A U.S. presence is extremely important to maintain the regional balance of power. An abrupt withdrawal of U.S. naval forces could facilitate regional competition between Japan and China, which in turn could result in renewed Russian attention toward the region. An American withdrawal would also likely accelerate the incipient arms race, as the Asian-Pacific states seek to ensure against Chinese or Japanese expansion.

Introduction and historical background

Before discussing Northeast Asia's position in the Russian Federation's foreign policy priorities, a brief survey of the historical importance of Northeast Asia, Siberia, and the Russian Far East is in order. This section identifies Russia's enduring interests in Northeast Asia, which are not likely to change substantially over the next ten to 15 years.

Russia developed significant economic and military interests in Siberia and the Far East as early as the 17th century.¹ Russian explorations and fur-trapping expeditions brought that country into contact with China and Japan, setting the stage for the territorial disputes that would later complicate relations with these nations. Russia also established a presence in Alaska and northern California, although Russia's foothold in North America ended with the sale of Alaska in 1867.

Russia never established a significant population base in Siberia or the Far East. However, the vast natural wealth of these territories has made them a vital part of Soviet and Russian development strategies. Western Siberia is rich in oil and natural gas; eastern Siberia has vast reserves of coal and timber. The Far East has major reserves of gold, diamonds, oil, natural gas, timber, and fish. These great riches, together with the perceived threat to Russian security from first the Mongols, later the Chinese and Japanese, and finally the Americans, make this region very important for Russian policy makers historically and psychologically.

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1. Russian geographers generally distinguish between Siberia (subsequently divided into Western and Eastern Siberia), which spans the territory from the Ural Mountains to east of Lake Baikal, and the Far East, which includes the administrative regions of Primorskii, Amur, Sakhalin, Khabarovsk, Kamchatka, Magadan, and Yakutia (Sakha).

Recall that Russia suffered its first military defeat of the 20th century in the Far East, during the Russo-Japanese War of 1904–05. This conflict resulted in the loss of considerable territory, seriously weakened the tsarist system of government, and demonstrated the weakness of Russia's position in East Asia.

In the aftermath of the Russian Revolution, Japanese and American intervention in the Russian Far East (1918–22) convinced the Soviet regime to expend considerable resources to turn the region into a giant military outpost, much of which was closed to foreigners and Soviet citizens alike. Japan's imperial ambitions led to clashes along the Sino-Soviet border region during 1937–39. At the end of the Second World War, Soviet forces moved into Manchuria, Sakhalin, and the southern Kurile Islands, territories that had been occupied by the Japanese.

The post-World War II settlement at first appeared very favorable to the Soviet Union. Stalin managed to gain the territories lost to Japan in the 1905 Treaty of Portsmouth, Japan was reduced to the status of an occupied power, and the Soviet Union gained new communist allies in the People's Republic of China and North Korea. North Korea proved to be an unreliable ally, however, and by 1960 China had become a hostile competitor of the USSR for leadership of the communist world. This conflict turned violent in 1969 with the clashes along the Ussuri River.

Tensions with China did not abate until the 1980s. Gorbachev's accommodative China policy removed many of the sources of tension between the two countries, and culminated in a historic summit meeting in May 1989. Since that time, political relations have gradually improved, trade ties have flourished, and the two countries have resumed limited military cooperation.

Finally, it should be noted that an additional threat to the Soviet Union came from the U.S. postwar strategic doctrine in the Pacific. This doctrine, which was most clearly enunciated during the Reagan years, was predicated on exploiting Russia's weakest link—its eastern flank—in the event of a major conflict in Europe. In addition, U.S. bases and facilities in Japan, South Korea, the Philippines, Thailand, Australia, and elsewhere in the Pacific were an integral component of

a strategy designed to protect U.S. allies and contain the spread of communism in the region.

The historical perspective on Russian relations with Northeast Asia, then, suggests several constants that may be expected to endure over the next ten to 15 years. First, Siberia and the Far East constitute a territory that is perceived to be a vital, albeit underpopulated and highly vulnerable, part of Russia. The instrumental view of this region is as a "country in reserve," an area of vast, largely untapped natural wealth that will be critical in rebuilding Russia's strength and therefore should be defended at all costs.

Russian perspectives on Siberia also have an emotional component. Russians across the political spectrum regard this territory as historically an integral part of the Russian homeland, and will stubbornly resist any infringements on Russian territory, no matter how minor. These perspectives are crucial to understanding the Kurile Islands issue and territorial disputes with China.

Second, Russia historically has been vulnerable to encroachment from powerful neighbors on its eastern borders, especially during times of internal crisis or periods of weak leadership. Despite major construction programs undertaken during the Soviet period, most notably the Baikal-Amur Mainline railroad project, the regional transportation infrastructure remains primitive at best; it is very expensive, and subject to interdiction by hostile forces. Vast distances and harsh conditions make this a difficult territory to defend.

This suggests that the perception of vulnerability is not likely to diminish in the near future. Russia's chaotic internal politics, the precipitous decline of the Russian military (the Pacific Fleet has been particularly hard hit), and the porous borders argue for a heightened sense of unease about Russia's security in this region.

The Brezhnev regime was willing (at great cost) to commit the resources necessary to defend this immense territory, and to attempt to project Soviet military power into the Pacific. However, the Soviet Far Eastern military build-up from the mid-1960s on was in large part counterproductive, threatening the security of the Asian-Pacific states and prompting American, Chinese, and Japanese countermeasures

to contain the perceived regional threat. The lesson seems to have been learned, at least during the Gorbachev era, that military power without an adequate economic base of support was untenable.²

Russia is not directly threatened at the present time by its East Asian neighbors. However, the rise of Japan and, more important, China as regional powers in the wake of the Soviet collapse and the possibility of a diminished American presence in the region, must be of long-term concern for policy makers in Moscow. Moreover, there are new types of security challenges in the region. One crucial issue is the threat of destabilization from uncontrolled Chinese immigration in the event of PRC fragmentation.

From Moscow's perspective, the shifting power balance in East Asia is worrisome. The massive deployment of military forces during the Soviet era was an attempt to strengthen the defenses of this vulnerable region. With the decline in size and capability of the Russian army, and the reports of massive problems in the Far East forces, a power vacuum could create incentives to encroach on Russia's Far Eastern borders.

Third, the general demographic and economic conditions of the region cannot be expected to change substantially in the near future, despite optimistic pronouncements about the potential benefits of special economic zones and Asian development assistance. Stalin populated the region largely by force, sending prisoners by the millions to exploit the gold, coal, and other natural resources. During the later Soviet era, these highly militarized and remote communities were granted special privileges in terms of wages and benefits, to compensate for the harsh climate and poor social amenities. Even then, many Russians chose to move out of the region after only a brief stay.

With the collapse of the Soviet Union, the eastern part of the country has been left essentially to fend for itself. Moscow imposes a drain on local treasuries through heavy taxes, but provides little in the way of

2. See Charles E. Ziegler, *Foreign Policy and East Asia: Learning and Adaptation in the Gorbachev Era* (Cambridge: Cambridge University Press, 1993), chapter 7.

tangible benefits in return. This has occasioned considerable resentment and a new regionalism, although we are unlikely to see attempts to formally secede from the Russian Federation.

One serious consequence of the decline in living standards and Moscow's neglect has been the out-migration of population. A few Russian entrepreneurs are optimistic about the prospects for economic development through investment projects and joint ventures with the Koreans, Chinese, Americans, and Japanese. But although there has been considerable activity in a few locales—most notably Vladivostok, Iuzhno-Sakhalinsk, and Khabarovsk—the chances of this region evolving into an economic dynamo and a magnet for Russian labor are remote.

Northeast Asia in Russia's current foreign policy priorities

This section examines Russia's foreign policy priorities at the present time, in terms of Russia's national interests. The purpose is to determine where Northeast Asia ranks relative to the newly independent states that compose the Commonwealth of Independent States (CIS, part of the "near abroad"), Europe, and the United States. Briefly, Northeast Asia occupies a tertiary position in Russia's foreign policy, with the near abroad and the West occupying first and second place, respectively. However, Central Asia, part of the near abroad, should be considered in tandem with the traditional states of Northeast Asia. Central Asia, together with China, Japan, and the two Koreas, will for a number of reasons become more important to Russia over the next ten to 15 years.

Russia's foreign policy priorities in late 1994

Priority #1: The near abroad

The "near abroad," consisting of the former republics of the USSR, moved to the front of the Russian foreign policy agenda by late 1992–early 1993. These states border on the Russian Federation, have close economic, cultural, and historical links to the new Russian state, and contain an estimated 23–25 million Russian speakers. Of the 14 minority republics, 11 are, together with Russia, members of the CIS. The Baltic states—Latvia, Lithuania, and Estonia—are suspicious of possible Russian neo-imperialism and jealous of their independence, and have chosen not to join the CIS.

In the first year after the breakup of the Soviet Union, Russian foreign policy under President Boris Yeltsin and Foreign Minister Andrei Kozyrev was oriented toward close cooperation with the United States and Western Europe. This policy unfortunately gave the impression

that Moscow's reformers were willing to subordinate Russian national interests to appease the West, and caused a backlash among moderate reformers, not to mention nationalists and communists. In so doing, Yeltsin seems to have lost much of the early support of the moderates, who in many respects favor market liberalization and the fundamental principles of representative democracy.

As some observers have noted, the shift toward a less accommodationist stance toward the West occurred early in 1993, well before Yeltsin's assault on the Parliament building and the strong electoral showing of Zhirinovskiy's Liberal Democratic Party in the December elections. As early as January 1993 Yeltsin had emphasized that his visits to China, South Korea, and India reflected a shift away from a Western emphasis in Russian diplomacy.³ Concerns over instability on Russia's eastern and southern borders (in Central Asia and the Caucasus) resulted in a storm of criticism over the border troops' performance and led to demands that the Russian government deal with the pressing issue of securing the FSU frontiers.

From early 1993 through late 1994, statements by Yeltsin, Kozyrev, and the other reformers became virtually indistinguishable from those of the moderate nationalists. Prominent foreign policy elites who adopted more strident criticism of the West during this period included Vladimir Lukin, former ambassador to the United States; Evgenii Ambartsumov, chairman of the Duma foreign relations committee; Sergei Stankevich, foreign policy advisor to Yeltsin; Evgenii Primakov, head of the Russian Foreign Intelligence Service; Defense Minister Pavel Grachev; and Georgii Arbatov, head of the Moscow-based U.S.A. and Canada Institute.

Expert opinion is divided over whether the Russian government's shift toward a more confrontational stance is a matter of serious concern. One group, comprising those who are pessimistic about Russia's international behavior, assumes it is only a matter of time before Moscow reverts to traditional Russian imperialism. Those who are suspicious of Russian neo-imperialism include former National Secu-

3. Suzanne Crow, "Why Has Russian Foreign Policy Changed?" *RFE/RL Research Report*, vol. 3, no. 18, May 6, 1994.

rity Advisor Zbigniew Brzezinski and Russian historian Yuri Afanasyev.⁴ These critics believe that the growth of the military's influence following the September 1993 assault on the parliament, the predominance of unreformed ex-communists in positions of economic management, and the lack of a viable civil society ensure that Russia will remain authoritarian for some time. And an authoritarian Russia, this line of thinking asserts, will be an imperial Russia.

Others, most notably Russian Foreign Minister Andrei Kozyrev, argue that Russia is destined to act as a great power, albeit a power that can act in partnership with the United States. However, Kozyrev has been careful to stress that the United States must treat Russia as a full participant in world affairs, and must coordinate and consult with Russia to avoid humiliating Moscow. Russians resent efforts by hard-liners in the United States to portray every vigorous foreign policy action as an assertion of imperial ambitions. Unwarranted criticism of Russia, especially for asserting its legitimate national interests in the peripheral newly independent states, undermines democratic reformers and plays into the hands of Russian nationalists.⁵

An authoritarian Russia is more likely to be aggressive and imperial in orientation than a democratic Russia. There is a good deal of evidence that Soviet foreign policy changed markedly as a result of internal transformations.⁶ This conforms to a growing body of literature that suggests liberal democracies are less prone to international aggression than are authoritarian or totalitarian systems.

What is less clear is the extent to which Russia is truly creating a viable democracy, one strong enough to resist the forces of reactionary

4. Zbigniew Brzezinski, "The Premature Partnership," *Foreign Affairs*, vol. 73, no. 2 (March/April 1994), 67-82; Yuri N. Afanasyev, "Russian Reform is Dead," *Foreign Affairs*, vol. 73, no. 2 (March/April 1994), 21-26; Yuri N. Afanasyev, "Seems Like Old Times? Russia's Place in the World," *Current History*, vol. 93, no. 585 (October 1994), 305-307.

5. Andrei Kozyrev, "The Lagging Partnership," *Foreign Affairs*, vol. 73, no. 3 (May/June 1994), 59-71; and "A Strategy for Partnership," *International Affairs* (Moscow), no. 9 (1994), 3-13.

6. See Ziegler, *Foreign Policy and East Asia*.

nationalism. Of course, much depends on the success of Russia's economic reforms. If the reform process continues, inflation is brought under control, the influence of the mafia gangs and various unsavory capitalist practices are minimized, and a strong middle class with a vested interest in stability emerges, then the prospects for democracy will be greatly improved.

Russia also needs time for its democratic reforms to become institutionalized. At present, the parliament, political parties, and the presidency enjoy very little support among the general public. A survey conducted under University of Strathclyde auspices in July 1993 found that 93 percent of Russians distrusted political parties, 80 percent distrusted parliament, and 67 percent distrusted President Yeltsin. By contrast, only 38 percent distrusted the army.⁷ In addition, Russians seem to be extremely pessimistic about the process of political evolution taking place in their country. Early in 1994, an opinion poll of 110 cities and 66 villages found only 9 percent who were satisfied with the political changes that had taken place since Gorbachev initiated perestroika; 42 percent said they were "dissatisfied" with the changes, and 26 percent were "extremely dissatisfied."⁸

These figures can be explained in part by an honest evaluation of the poor performance of the Russian leaders and institutions, and in part by the Russian population's inexperience with the messiness of the democratic process. If the government is able to deliver on the issues that matter most to Russians—strengthening the economy, improving living standards, dealing with crime—then it can gradually build the legitimacy necessary to institutionalize democracy. A string of successes by a democratic reformist government will undercut the appeal of radical nationalists who have capitalized on popular discontent with Yeltsin's policies.

A democratic Russian government will continue to assert Russia's national interests. This is to be expected, and should not pose a problem for the United States. A more assertive Russia is not necessarily

7. Richard Rose, "Postcommunism and the Problem of Trust," *Journal of Democracy*, vol. 5, no. 3 (July 1994), p. 26.

8. Radio Free Europe/Radio Liberty *Daily Report*, 25 April 1994.

an "imperial" Russia, at least not in the sense that tsarist Russia and the former Soviet Union were imperial. Few Russian leaders other than the extreme right aspire to reabsorb the former republics into Russia forcibly. Only the ultra-nationalist Vladimir Zhirinovskiy and a handful of crackpots seem interested in expanding beyond the old Soviet frontier.

There is broad agreement among the foreign policy elite that the CIS states share economic, political, and security interests with Russia, and are willing to grant Russia a central role in leading the confederation. However, there is also broad agreement that nothing is to be gained, and much could be lost, were Russia to attempt to project military power beyond the former Soviet borders, as happened during the Brezhnev period in eastern and central Asia. Nor is there support among the military, or among the broader population, for such military adventurism.

Geographically, Moscow's attention is now focused on the western and southern regions of Russia's border, where a series of "low-intensity" conflicts are being played out. These include Chechnya, Ingushetia, Abkhazia, Transdniestria, Tajikistan, and Nagorno-Karabagh. Russia has evinced varying degrees of involvement in these regions, with the greatest direct commitments in Tajikistan, Chechnya, and the Moldova/Transdniestria.

It bears mentioning that three times as many Russian speakers live in the former Soviet republics as live in the entire Russian Far East. As many Russians live in these newly independent states as live in all of Russia east of the Ural Mountains. Given the recent upsurge in Russian nationalism, domestic pressures on the Yeltsin government to defend the interests of these Russian expatriates are understandable. These pressures should not be expected to dissipate in the near future, and may well intensify. Much, of course, depends on the internal situations of the former republics and the perceived treatment of ethnic Russians.

Priority #2: The United States and Europe

The "Eurasianists" claim that Russia's cultural roots, past and future, are as much Asian as European; however, there are several reasons

why Europe and the United States are, and will continue to be, more important to Russia than East Asia will be.

First, we should note Russia's participation in the START treaties, the CFE treaty, and CSCE, and its putative participation in the NATO Partnership for Peace. Unless relations deteriorate radically, the United States and Russia will continue to cooperate in the process of dismantling nuclear weapons over the next decade. CFE, the future role of CSCE, Russia's relations with NATO, and coordination over the situation in the former Yugoslavia remain problematic, but the point is this—these institutions and processes suggest that Russia will continue to remain intimately engaged in European affairs for the next ten to 15 years.

Second, there is European and U.S. support (albeit limited) for Russia's democratic development through the IMF, World Bank, G-7, Peace Corps, and other institutions and arrangements. However, I do not mean to suggest that Russia's actions will be conditioned by “dependence” on economic and political support from the Western nations. In fact, much of the stimulus behind Russian nationalism has been due to perceived Western “stinginess” with aid and resentment of conditions imposed on Russia by the IMF or other Western agencies. Russian cooperation with these Western multilateral organizations is under political attack by conservative nationalists, and could erode over the next decade.

Third, Russia's economic linkages with Europe and the United States are considerable. These ties are not likely to contract over the next ten to 15 years, and may be expected to expand. Russia's major trading partners are in the West, and much of Russia's \$112.7 billion foreign debt is held by Western countries. Germany, for example, is Russia's largest creditor nation, holding \$15.9 billion of Russian debt.

Fourth, despite increasing references to Russia as a “Eurasian” power rather than a European power, many intellectuals and influential officials feel far closer to, and more comfortable with, Western values and institutions than with those of Asia. A recent poll conducted by the journal MEiMO found that 52 percent of foreign policy elites identified themselves as “Westernizers,” preferring a foreign policy linked closely to the West and based on the values of Western civilization. An

additional 45 percent considered themselves "Slavophiles," who preferred Russia to follow a distinctly Slavic path based on equidistance between Europe and Asia.⁹

In sum, a number of objective and subjective factors will continue to ensure that the United States and Western Europe remain in a position of secondary importance for Russian foreign policy—behind the near abroad, but ahead of Asia. However, growing Russian nationalism and resentment of Western cultural and economic influence among certain segments of the population can be expected to lead to a "distancing" of Russia from the West. Asia, by contrast, is considerably less susceptible to charges of cultural or economic "imperialism." Therefore, we may expect Russian foreign policy to move gradually toward closer ties with Asia over the next ten to 15 years.

Russia's foreign policy priorities and interests in Northeast Asia, 1995–2010

Northeast Asia currently ranks *third* in Russia's foreign policy priorities. Although this relative ranking should hold over the next ten to 15 years, the importance of this region can be expected to grow relative to Western Europe and the United States over the projected time line. The following discussion elaborates on the reasons why Asia in general, and Northeast Asia more specifically, will become more important for Russia in the near future.

China

China is by far the most important country in Asia for Russian policy makers. Moreover, China will undoubtedly dominate Russia's Asian policy over the next ten to 15 years. China's vast population, rapid economic growth, and expanding military capability make it the power to watch.

9. N. Popov, "Vneshnaia politika Rossii," *Mirovaia ekonomika i mezhdunarodnaia otnosheniia*, no. 3, 58.

Moreover, should NATO expand eastward by incorporating several of the former Warsaw Treaty member states, China would become relatively more important to Russia as a potential counterweight to Europe. We should not expect a resurrection of the close military-political relationship of the 1950s, since those ties were based on fundamental inequalities. However, Moscow's and Beijing's common interests can be expected to prevail over historical animosities and lingering territorial differences for the next decade.

China commands Moscow's attention for the following reasons. First, China's economic dynamism, with growth rates averaging just under 10 percent annually over the past decade, has catapulted this nation into a position of economic importance second only to Japan in the region. Second, population growth in China has slowed considerably, but in absolute numbers the growth is very large and is expected to peak at 1.5 to 1.6 billion by 2040. This will place even greater pressures on China's already strained environment, and, as discussed below, constitutes a potential source of massive immigration into Russia.

Third, China's economic miracle has made possible a major program of modernization for the Chinese military. This build-up is focused on power projection, largely to back up Chinese claims to sovereignty over disputed territories, and constitutes minimal threat to Russia.¹⁰ Land forces on both sides of the border have been dramatically reduced over the past decade, and neither side appears interested in rebuilding its large land forces. However, some Russian commentators have questioned the wisdom of providing Beijing with state-of-the-art fighter aircraft and air defense batteries, as Russia has done since 1993.

Finally, the impending political transition raises uncertainties about the future of Chinese reform, and about the possibility of fragmentation along China's western boundaries. Expert opinion in the West is divided on the potential for fragmentation—a repeat of the warlordism that followed the fall of the Manchu dynasty. However, many

10. Michael G. Forsythe, "China's Navy Stirs," *Naval Institute Proceedings*, vol. 120 (August 1994), 39–45.

experts in Russia are clearly worried about the possibility of pan-Turkic and pan-Mongol movements in Xinjiang and inner Mongolia that could attempt to unite ethnic partisans across Sino-Russian and Sino-Central Asian boundaries.¹¹

In the longer term (1998 or later), China could fragment along its western and northern borders. It is worth noting that China's minorities, who constitute only 6 percent of the population, inhabit some 60 percent of China's territory, much of which is remote and inhospitable. These minorities (Mongols, Tibetans, Kazakhs, Uighurs) suffered greatly during the Cultural Revolution. Recent efforts (mostly superficial) by Beijing to improve their status has not solved the problem. Separatist movements exist in Tibet and former Eastern Turkestan (among the Uighurs), and Beijing is concerned about support from inside the newly independent Central Asian states for separatists in the Xinjiang Uighur autonomous province and elsewhere.¹²

Were China's border regions to gain greater autonomy from Beijing, the situation in Central Asia could deteriorate rapidly. Increased interaction among ethnic groups across the Kazakh-Xinjiang border, for example, would intensify fears of Russians in Kazakhstan of being overwhelmed by "yellow hordes." Protection of the 10 million Russian speakers throughout Central Asia would become a top priority for any government in Moscow, reformist or otherwise. Authorities in Beijing, of course, would vigorously resist any moves to decouple border territories from China. Here, Russia's and China's interests coincide. Both oppose ethnic separatist movements that would threaten the status quo in Central Asia.

The one economic bright spot for Russia in Asia has been China. Economic cooperation is important to both Moscow and Beijing—total turnover between the former Soviet Union and China increased from

11. Aleksei Voskresenskii, "Vyzov KNR i rossiiskie interesy," *Nezavisimaia gazeta*, 16 September 1994.

12. See Igor' Rotar', "Etnicheskaia bomba na severno-zapade Kitaia," *Nezavisimaia gazeta* (3 August 1994); and Keith Martin, "China and Central Asia: Between Seduction and Suspicion," *RFE/RL Research Report*, vol. 3, no. 25 (24 June 1994), 26-36.

\$3.96 billion in 1991 to \$6.5 billion in 1992. Of the latter figure, \$5.85 billion was exclusively Sino-Russian trade. In 1993 Sino-Russian trade soared to \$7.7 billion, with Russia experiencing a \$2 billion surplus. Illegal transactions not accounted for in the official statistics reportedly contributed another 25 percent to total turnover.¹³

A significant proportion of Russia's exports to China has consisted of weapons, primarily Su-27 fighters, S-300 surface-to-air missiles, and reportedly Su-31 interceptors; Chinese exports to Russia consist largely of food, textiles, and other consumer goods. Although arms sales provide a short-term solution to the problems facing Russian defense industries, arming China contributes to apprehensions in East Asia and fuels the region's arms race, a development that is not in Russia's interest. To further complicate matters, Russia has contracted with India for the sale of cryogenic rocket engines, and is discussing the sale of Su-27 aircraft to Pakistan.

Border trade is especially significant for the remote areas of China's north and the Russian Far East. Heilongjiang province alone conducted \$1.5 billion in trade with Russia in 1992.¹⁴ More than 80 percent of all Russian-Chinese trade in 1993 was border trade. These exchanges are enhancing the prosperity of areas far removed from the more prosperous coastal regions, and are highly valued by both sides.

Visits to Beijing by President Yeltsin in December 1992 and Foreign Minister Kozyrev in January 1994 expanded Sino-Russian economic cooperation, including plans for Chinese participation in developing Siberian and Far Eastern resources, the projected construction of a nuclear reactor in China, and other scientific, technical, and military cooperation projects. China is now Russia's second largest trading partner, after the Federal Republic of Germany.

13. These statistics are from the Russian Ministry of Foreign Economic Relations. Radio Free Europe/Radio Liberty *Daily Report*, 29 April 1994.

14. This compares with a total of only \$88 million in Sino-Soviet border trade during 1987. *Beijing Review*, 31 May-6 June 1993, 18-19.

Sino-Russian economic complementarity, however, does have limits. At present the Russian Far East is swamped with expensive food products, clothes, and other consumer goods from China. Russian citizens in the Far East resent the shoddy merchandise and questionable business practices of Chinese entrepreneurs, and believe the Chinese are behind much of the crime wave in the Far East.¹⁵

The issue of Chinese migration into Russian territory is a sensitive one, and has the potential to become explosive. Current estimates put the number of Chinese in the Far East between 300,000 and one million.¹⁶ Beijing is concerned about the negative response of many Russians to this influx, and has promised to strictly control Chinese entrepreneurs.¹⁷ However, the center's control over its 1.2 billion people is extremely tenuous. In a destabilized China, large numbers of these migrants could cross the border into Siberia and the Russian Far East, sparking confrontation with the indigenous population.

Central Asia and Mongolia

Central Asia is extraordinarily important in Moscow's calculations, and can be expected to increase in importance over the next ten to 15 years. The four new Central Asian states, strategically located between China and Russia, historically have been subject to great-power struggles for influence. Turkey, Iran, Pakistan, India, and Saudi Arabia all have a stake in Central Asian affairs. The ethnic groups of these regions share religious and cultural identities across borders; also, with the breakdown of the Soviet Union, new lines of conflict, commerce, and communication have emerged.¹⁸

15. This view was expressed frequently to the author during a trip to the Russian Far East, in June-July 1993. Also, see *Izvestiia*, 7 December 1993, 4.

16. Vladimir Abarinov and Andrei Vinogradov, "Moscow and Beijing: Positions Are Close or Coincide," *Segodnia*, in *Current Digest of the Post-Soviet Press* (hereafter *CDPSP*), vol. 46, no. 4 (1994), 29.

17. *Far Eastern Economic Review*, 8 July 1993, 42; *Izvestiia*, 17 July 1993, 1.

18. J. Richard Walsh, "China and the New Geopolitics of Central Asia," *Asian Survey*, vol. 33, no. 3 (March 1993), 272-284.

Conventional arms have proliferated in the region, and one Central Asian state—Kazakhstan—is a nuclear power.

The transfer of plutonium from Ust-Kamenogorsk, Kazakhstan, to the Rocky Flats facility in October 1994 is a welcome development. However, the legacy of weak control and a poor accountancy system suggests there could be additional weapons-grade material located in Kazakhstan.¹⁹ Kazakhstan signed the Nuclear Non-Proliferation Treaty in February 1994, and as of late 1994 had 92 SS-18 missiles remaining on its territory. These missiles are to be dismantled and shipped to Russia by mid-1995. In September 1994 Japan agreed to provide \$11 million and technical assistance to help Kazakhstan establish a system of safeguards for nuclear materials and to dismantle its nuclear weapons.²⁰ This was in addition to assistance already being rendered Kazakhstan by the United States, several Western European countries, and the IAEA.

A central tenet of Moscow's foreign policy toward Central Asia involves extending protection to some ten million ethnic Russians residing in the region. Beyond this, Russia's national interests are challenged by extant and potential conflicts in Central Asia. Russia's new military doctrine considers Central Asia's "external" borders (that is, those shared with Iran, Afghanistan, and China) as its strategic borders, and is under great domestic pressure to secure these frontier areas.²¹

Since 1992 Russia's military has backed Tajikistan's government in its struggle with Islamic and democratic opposition groups. More broadly, Moscow has supported conservative, authoritarian

19. On controls over nuclear weapons and fuel, see Oleg Bukharin, "Nuclear Safeguards and Security in the Former Soviet Union," *Survival*, vol. 36, no. 4 (Winter 1994–95), 53–72.

20. *RFE/RL Daily Report*, 7 September 1994.

21. In practical terms, Moscow simply does not have the resources to construct an entirely new set of fortifications along the Russian–Central Asian borders. See, for example, the interview with Deputy Foreign Affairs Minister Georgii Kunadze in *Nezavisimaia gazeta*, 29 July 1993, 1, 3.

governments throughout Central Asia. Russia is linked through CIS security arrangements to all the Central Asian states, and is cooperating with Kazakhstan, Kyrgyzstan, and Tajikistan in negotiating with China on the disputed western border regions.

Another potential ethnic flashpoint in Central Asia is Kazakhstan. Russian nationalists, including such major figures as Aleksandr Solzhenitsyn, argue that northern Kazakhstan has been Russian sovereign territory for several centuries and should be reincorporated into Russia. Ethnic Russians now compose 37 percent of Kazakhstan's population, down from 42 percent only five years ago. At least two Russian nationalist organizations (*Lad*, or "Harmony," and the Russian Society) have emerged as defenders of Russian interests in Kazakhstan, and Cossack organizations have been lobbying for a referendum on reintegration with the Russian Federation.

Beijing and Moscow are apprehensive that ethnic unrest in Central Asia and the border areas of northwestern China, with their large Uigur, Kazakh, and Kyrgyz populations, may destabilize the region. Russia and China are also troubled by the growth of Islamic extremism, and the consequent potential for influence by radical Muslim movements. Finally, Central Asia's economic difficulties provide fertile ground for conventional and nuclear weapons proliferation from the Middle East through South Asia.²²

Both Moscow and Beijing favor economic development in order to enhance political stability in the region. During Chinese Premier Li Peng's April 1994 visit to Central Asia, he stressed the importance of developing stronger political and economic ties with China's newly independent neighbors. A border agreement was concluded with Kazakhstan, and Li secured assurances of support for China's efforts

22. Rajan Menon and Henri J. Barkey, "The Transformation of Central Asia: Implications for Regional and International Security," *Survival*, vol. 34, no.4 (Winter 1992-93), 68-89. For a more complete discussion, see Rajan Menon, "Security Dilemmas in Post-Soviet Central Asia," unpublished ms.

to quash Uigur separatism from the leaders of Uzbekistan, Turkmenistan, and Kazakhstan.²³

The political elites in these new Central Asian states appreciate China's interest in developing economic and political ties. Beijing treats these states as full, sovereign members of the international community. Moscow is burdened by the legacy of Russian/Soviet colonialism, and by residual Russian attitudes of superiority and condescension toward Central Asians. Economic realities will constrain Central Asian states to work with Moscow through the CIS, but over time China should become more important for Central Asia's development.

Mongolia also has the potential to be a source of instability in Central Asia. Russia has maintained its ties with Mongolia while shifting toward a less clientelistic relationship—the two countries concluded a new bilateral treaty early in 1993. As long as the reformers are in control in Moscow, Russian policy can be expected to support continued democratic development there.

However, Beijing's aged and cautious leadership is worried about the potential for "spiritual pollution" in the form of democratic ideas and Buddhist revivalism contaminating inner Mongolia. Neither China's nor Russia's interests are served by pan-Mongolism. There are over half a million Mongols living in Russia, primarily in the border territories of Buriatia and Tuva, who might wish to integrate with a reunited Mongolia.

Since China would only accept Mongol unity under its sphere of influence, such a development could heighten Sino-Russian tensions.²⁴ However, the numerical dominance of Han Chinese in inner Mongolia (where they outnumber ethnic Mongols by about five to one) argues against the success of any pan-Mongol movement.

23. Radio Free Europe/Radio Liberty *Daily Reports* (20, 22, 26, 27, and 28 April 1994).

24. For a more extended discussion of great power interests in Mongolia, see Marko Milovojevic, *The Mongolian Revolution of 1990: Stability or Conflict in Inner Asia?* (London: Conflict Studies #242, June 1991).

In sum, convergent Russian and Chinese interests would appear to outweigh conflicting interests over the next ten to 15 years. China and Russia may be expected to cooperate to maintain stability in Central Asia and to dampen pan-Turkic or pan-Mongol movements. China's incipient efforts at power projection are directed elsewhere and do not directly challenge Russia's interests. Disturbances within the Central Asian region are unlikely to have any influence on maritime activities of either Russia or China in the Asia-Pacific. Finally, bilateral trade and military cooperation have become important factors enhancing the Sino-Russian relationship.

Japan

Russo-Japanese relations have ranged from poor to very bad over the course of the 20th century, and are not likely to improve dramatically in the near future. The two nations have clashed militarily several times in the 20th century: during the Russo-Japanese War of 1904-05; the Japanese intervention of 1918-22; and the World War II contests of 1937-39 and 1945.

There remains a legacy of distrust and suspicion between Russia and Japan that will not easily be dissipated. The enduring dispute over the status of the Kurile Islands continues to frustrate efforts at improving Russian-Japanese ties. In addition, Japan's policy makers are concerned about the reliability of command and control over FSU armed forces, are disturbed by arms proliferation in the region (Russian sales to China), and share a broad mistrust of Yeltsin's Asia policy.²⁵

The first three years of the Russian Federation's Japan policy suggest that the constraints of public opinion, and pressures from nationalist forces in the Russian parliament, would make it very difficult for any government to contemplate returning the islands. What is more likely is that a stalemate over sovereignty of the Kuriles will continue, while economic links between the islands, and between the Russian Far East and Japan, continue to develop.

25. Eugene Brown, "Japanese Security Policy in the Post-Cold War Era," *Asian Survey*, vol. 34, no. 5 (May 1994), 432-434.

It may also be worth noting that during 1994 a large contingent of the Russian population left the islands in search of a less demanding environment. The October 1994 earthquake, which killed 17 and destroyed considerable civilian and military property on the islands, could hasten this departure.²⁶

Russia's economic and political relations with Asia's premier economic power can at best be described as stagnant. Trade between Japan and Russia declined from a high of 732 billion yen (\$6 billion) in 1991, to 441 billion yen in 1992 and 424 billion in 1993 (approximately \$3.9 billion).²⁷ Tensions over the disputed Kurile Islands continued to frustrate efforts toward greater Russo-Japanese economic cooperation. Domestic opposition to any form of territorial concessions frustrated summit meetings planned for September 1992 and April 1993, and Yeltsin's enemies attempted to sabotage his position when the summit meeting in Tokyo finally materialized in October 1993.²⁸

In the past, Russian and Western observers have tended to overestimate Japan's interest in exploiting Russia's massive reserves of natural resources. A few Japanese companies anticipate profits from doing business with the Russians, but the associated risks can be expected to outweigh the benefits in the foreseeable future, even with a resolution of the territorial issue.

Those few Japanese firms doing business in the Russian Far East are earning a reputation for being interested only in obtaining quick profits.²⁹ Japan's economic difficulties make significant investments

26. See *New York Times*, 9 October 1994, 11.

27. Data supplied by Japan External Trade Organization.

28. See Stephen Foye, "Russo-Japanese Relations: Still Traveling a Rocky Road," *RFE/RL Research Report*, vol. 2, no. 44, 5 November 1993, 27-34; and Peggy Falkenheim Meyer, "Moscow's Relations with Tokyo: Domestic Obstacles to a Territorial Agreement," *Asian Survey*, vol. 33, no. 10 (October 1993), 953-967.

29. During a series of interviews conducted during June-July 1993 in the Russian Far East it became apparent that with a few notable exceptions, few Japanese companies were seriously interested in doing business in the region.

in Russia less likely than would have been the case in the 1980s. However, even a full recovery of the Japanese economy is not likely to result in significantly increased investment in the Russian economy. The investment prospects elsewhere in East Asia (China, Vietnam, Thailand, Indonesia, among others) are far more attractive.

Washington has urged Japan to aid Russia's fledgling democracy in the belief that Russian stability is critical to regional and world stability. However, Tokyo has been reluctant to pledge significant economic assistance to Moscow without some movement on the Kuriles. The Japanese government announced an aid package of \$1.82 billion, primarily in the form of loans and loan guarantees, just prior to the July 1993 G-7 summit in Tokyo.³⁰ But Japan has refused to abandon its policy of linking economic assistance to a resolution of the territorial issue.

During Yeltsin's visit to Tokyo in October 1993 the two sides failed to make any progress on the islands, and the summit yielded only modest results in the field of economic cooperation. However, in a notable departure from former Soviet policy, Yeltsin formally apologized for the mistreatment of Japanese prisoners detained after World War II.³¹

Within a week after the President returned to Moscow, the Russian Navy's decision to dump radioactive waste in the Sea of Japan negated much of the goodwill realized from the trip.³² Tensions in the region continued during 1994, as Russian gunboats occasionally fired on Japanese fishing trawlers violating Russian waters. These two issues—nuclear dumping and fishing—may be expected to continue to generate tensions between the two nations.

30. Robert Delfs, "Off Again: Second Cancelled Trip Strains Tokyo-Moscow Ties," *Far Eastern Economic Review*, 20 May 1993, 13.

31. Radio Free Europe/Radio Liberty *Daily Report*, 12-14 October 1993.

32. In late April 1994 Moscow and Tokyo agreed in principle to begin construction on two facilities to treat the radioactive waste from Russia's Pacific Fleet. Radio Free Europe/Radio Liberty *Daily Report*, 3 May 1994.

The success of conservative and nationalist forces in the December parliamentary elections—most notably, the strong showing of the Liberal Democratic Party and the Communist Party of the Russian Federation—will make it very difficult for the Yeltsin government to compromise on the islands. Prime Minister Viktor Chernomyrdin and Federation Council Speaker Vladimir Shumeiko are strong critics of any accommodation with Japan. Another strong critic is the increasingly powerful governor of Primorskii krai, Evgenii Nazdratenko, who has proposed transferring the Kuriles to his administrative jurisdiction.

By late 1994 there were some signs of marginal improvements in relations. One report suggested that unreported trade between the Russian Far East and Japan was flourishing, although much of it was not reflected in official statistics.³³ Japanese defense agency officials visited Moscow in November 1994 for discussions on military cooperation.

To summarize, Russia would like to improve relations with Japan. However, domestic political turmoil in both countries inhibits significant progress. Neither government is strong enough—or will be strong enough in the near future—to overcome the territorial obstacle. A stronger Russian government, whether democratic or authoritarian, will likely respond to nationalist pressures lobbying against compromise with Japan on the Kuriles. The prognosis for the next ten to 15 years is for a slightly improved working relationship, premised on the assumption that Japan does not acquire nuclear weapons. A more assertive, nuclear Japan would alarm decision makers in Moscow and could prompt measures to rebuild Russia's Pacific Fleet.

The Korean peninsula

Russia's major interests in the Korean peninsula are to prevent North Korea from deploying or using nuclear weapons, to ensure a stable and peaceful transition in the wake of Kim Il-sung's death, to ensure an orderly process of reunification between North and South, to

33. *Izvestiia*, 24 June 1994.

secure the denuclearization of the entire peninsula, and to maintain and expand economic relations with the Republic of Korea.

Relations between the former Soviet Union and North Korea deteriorated significantly from 1988 to 1990, bottoming out with the September 1990 diplomatic recognition of the South by Moscow and Moscow's stipulation that Pyongyang pay for oil and other goods in hard currency starting in January 1991. Relations between Pyongyang and Moscow did not improve with the collapse of the Soviet Union. During his November 1992 visit to Seoul, President Yeltsin announced that Russia intended to renegotiate the terms of the 1961 mutual assistance treaty, clearly implying that Russia would not support North Korea militarily in the event of a conflict.

Russia has cooperated with the United States and the IAEA on the nuclear issue, pressing Pyongyang to adhere to the NPT. A unified, nuclear Korea would be disturbing to Moscow. Perhaps more important, the presence of nuclear weapons in Korea could influence neighboring states to develop nuclear weapons. Already, several states in the southern arc either possess nuclear weapons or could readily develop them; these include Kazakhstan, Pakistan, India, and China. Foreign Minister Kozyrev has indicated that Russia fears the establishment of a nuclear belt along its southern boundaries, and would prefer the dismantling of these states' nuclear capabilities.³⁴

The Russian government is reluctant to isolate North Korea, and views sanctions against Pyongyang as a last resort. Moscow wants to preserve what little influence it has left with Pyongyang, and resents being excluded from negotiations regarding the nuclear issue on the Korean peninsula.

Early in 1994 Moscow proposed that an international conference of eight parties (North and South Korea, Japan, China, the United States, Russia, representatives of the UN Secretary General's office, and the IAEA) be convened to deal with the nuclear issue. South Korea and Japan were cool to the idea. Russia also was reluctant to

34. See the interview in *Izvestiia*, 18 June 1994, 1-2.

impose sanctions on the North, although Kozyrev indicated that sanctions could be imposed gradually, as a last resort.

There are two major reasons why Moscow favors a denuclearized Korea. First, any use of nuclear weapons on the peninsula, or a nuclear accident, would very likely contaminate the environment of the vital Vladivostok/Nakhodka territory. Second, a Korean nuclear weapons capability constitutes an incentive to Japan to develop nuclear weapons to balance this asymmetry. However unlikely in the near future, a nuclear-armed Japan is clearly not in Russia's interests, and is a development Moscow will categorically seek to avoid. Russian analysts welcome a unified, stable and non-nuclear Korea for providing an important counterweight to Chinese or Japanese expansionism.³⁵

Russian-South Korean relations have on the whole remained friendly since the break-up of the USSR, but economic cooperation has been constrained by Moscow's inability to repay its debts to Seoul. Yeltsin's November 1992 visit sought to formalize and strengthen ties that had developed in the later Gorbachev years, and to sort out debt and repayment problems.

Russia and Korea signed pacts pledging friendly relations based on democratic principles, human rights, and the market economy during Yeltsin's 1992 visit, and during President Kim Young Sam's visit to Moscow in 1994. Yeltsin called for the formation of a multilateral forum in the Asia-Pacific to work out a system of crisis management for the region. Kozyrev repeated these calls for a regional security system during a January 1994 visit to Beijing.

There is significant potential for the expansion of trade and economic cooperation between Russia and South Korea, although progress in this sphere is slow. Russia and South Korea are contemplating several massive projects totalling \$20-30 billion, including the possibility of constructing a natural gas pipeline from the Sakha

35. See Hyon-Sik Kim, "The Russian Security Interests in Northeast Asia," *Korean Journal of Defense Analysis*, vol. 6, no. 1 (Summer 1994), 172.

Republic (Yakutia) through North Korea. In the event of North-South reunification, progress on this pipeline, and on the much-studied Tumen river development zone, could accelerate.

Although ranking well behind Japan and China in overall economic clout, South Korea's business giants are expanding their investments in Russia and other CIS countries, and are aiding Russian factories in the difficult process of defense conversion. Cooperation in fishing is expanding. South Korean trade with Russia grew to \$1.57 billion in 1993, up from \$1.2 billion in 1991 for its trade with the entire former Soviet Union.³⁶ However, Russian-Korean trade was dampened by Russia's credit problems, leading Seoul in December 1993 to freeze the remaining \$1.5 billion of a \$3 billion loan. As of mid-1994, Russia still owed South Korea \$1.4 billion.

South Korea has more sophisticated technology and a larger supply of investment capital than does China, and appears to be more committed to long-term, cooperative ventures with Russia than are the Japanese. South Korean corporate groups, most notably Daewoo, together with the energy-poor North Korean government, are eagerly promoting the Sakha pipeline project.

President Kim Young-sam visited Moscow in June 1994 for talks on bilateral cooperation and security issues on the Korean peninsula. Kim expressed support for Russian participation in APEC, and Yeltsin provided the Korean delegation with documents from the Korean war. The two leaders were optimistic about the potential complementarity of Korean technology and Russian natural resources for developing the Far East. Yeltsin pledged Russian support for the denuclearization of the Korean peninsula.

To summarize, Russian-Korean relations are good, but limited by Russia's weak economic position. Should the Russian economy take off, relations may be expected to improve significantly. Politically, South Korea and Russia agree on the goal of containing the North's nuclear program, although Seoul realizes Moscow has minimal leverage with Pyongyang.

36. Data from Korean Trade Center.

Additional states in the Asia-Pacific

Once the focus shifts from Northeast Asia to Southeast Asia and the Pacific, Russia's economic and political presence drops dramatically. The Soviet regime's attempts at power projection and its competition with China and the United States provided the foundation for most Soviet activity in Southeast Asia and the Pacific. With the end of the Cold War, this rationale has disappeared. Moscow's interests in these regions are no longer a function of the strategic situation in Northeast Asia; rather, they are almost entirely based on economics.

The Soviet Union's old allies India and Vietnam together owe Russia about 20 billion (in old rubles), and Moscow is obviously very keen to secure repayment on the best terms possible. Russian conservatives have pressed the Yeltsin government to maintain links to these states.

Yeltsin visited India in 1993 in an attempt to reinvigorate the relationship. Russia's economic ties to India were further strengthened when the Mikoyan Design Bureau was awarded a contract in May 1994, worth several hundred million dollars, to upgrade weapons and avionics systems on India's aging fleet of MiG-21s.³⁷

However, the Yeltsin government's 1993 decision to accede to American demands involving a \$350 million sale of rocket engines and cryogenic technology to Delhi raised a firestorm of criticism. The United States claimed that the transfer of technology violated the Missile Technology Control Regime, to which Russia had agreed to adhere. Washington's promise of access to the commercial satellite market and the right to participate in the U.S. space station program did little to assuage the government's critics, who condemned the deal as an infringement on Russian sovereignty.³⁸

37. *RFE/RL Daily Reports*, 5 May 1994.

38. The income from launching American satellites on Russian rockets could reach \$700 million over seven to eight years. *Izvestiia*, 20 July 1993; Daniel Sneider, "Russians Up in Arms About Cancellation of Rocket Deal," *Christian Science Monitor*, 27 July 1993.

Moscow is trying to preserve its ties with its former ally Vietnam. Oil and weapons exports to Vietnam dropped off sharply after the August 1991 coup, and relations have been complicated by Vietnam's debt of some 10 billion rubles. The Vietnamese were angered by Russia's decision to sell advanced military equipment to China. However, both countries are interested in maintaining friendly, if not close, ties.

A joint venture to prospect for gold in Vietnam's northern province of Bac Thai was formed in June 1992, and in July of the same year Moscow and Hanoi signed a trade protocol.³⁹ Russian assistance was instrumental in the completion of the Hoa Binh 1.9-million-kW power plant, in mid-1994. Trade between the two countries exceeded \$300 million in 1993. Oil and hydropower projects were pursued through 1993, and an agreement was concluded allowing Russia to remain in Cam Ranh Bay for another ten years.⁴⁰

It is still a bit of a mystery why Russia continues to insist on maintaining a presence in Cam Ranh Bay. Russia withdrew most of its usable equipment in 1992, retaining only a few hundred troops, some signals intelligence capability, and access to refueling and provisioning facilities. Russia has proposed converting Cam Ranh Bay into an international commercial port. Moscow has also proposed that the annual rent of \$60 million be subtracted from Vietnam's 10 billion ruble debt. These moves suggest that Moscow's interest in Vietnam is largely economic. Russia wants Vietnam to repay its debts, and to accept repatriation of the 35,000 or so Vietnamese still in Russia. Furthermore, Russia is likely interested in positioning itself to take advantage of any potential Vietnamese economic boom.

Vietnam may wish for the Russians to stay as a deterrent, however weak, to Chinese activities in the South China Sea. Perhaps more

39. *SUPAR Report*, no. 13 (July 1992), p. 70; *Far Eastern Economic Review*, 1 October 1992, p. 18.

40. Eugene Bazhanov and Natasha Bazhanov, "Russia and Asia in 1993," *Asian Survey*, vol. 34, no. 1 (January 1994), p. 96. Provisions of the 1978 Soviet-Vietnamese Treaty of Friendship and Cooperation allowed Russia to remain at Cam Ranh Bay until 2004. A replacement friendship treaty was signed in June 1994.

important, Vietnam depends on Russian military equipment for replenishing its armed forces. By acquiescing to a Russian presence in Cam Ranh Bay, Hanoi may be anticipating obtaining more favorable terms for arms and spare parts.⁴¹

Economic cooperation between Russia and the remaining countries of Southeast Asia and the Pacific is minuscule. Russia's largest trading partners have been Singapore and Thailand (total turnover for 1992 was \$548 million and \$434 million, respectively), and Malaysia, Indonesia and the Philippines together accounted for another \$261 million. There is very little trade with either Australia or New Zealand—only \$94 million and \$21 million, respectively, in 1992.⁴²

In sum, Moscow is trying to preserve ties to two of the FSU's Asian client states, India and Vietnam, in an effort to recoup old debts. Russia enjoys cordial relations with most of the remaining Asian-Pacific nations, and engages in very modest trade with most. However, Russia is not perceived as a threat, and has neither the political nor the economic weight to make its influence felt in the region. This situation is unlikely to change over the next ten to 15 years.

41. See Carlyle A. Thayer, "Russian Policy Toward Vietnam," in Peter Shearman, ed., *Russian Foreign Policy* (Boulder, CO: Westview Press, 1995); and Thayer, *Vietnam's Developing Ties with the Region: The Case for Defence Cooperation*. ADSC Working Paper No. 24. Canberra: Australian Defence Studies Centre, Australian Defence Force Academy, June 1994.

42. *Direction of Trade Statistics* (Washington, DC: IMF, June–September 1993), 131.

Some general economic considerations

The preceding discussion suggests that with Russia's military might eroded and its political status problematic, economic strength will be the key to securing a successful position in the Asia-Pacific over the next ten to 15 years. How does the present state of the Russian economy constrain or facilitate policy in the Asia-Pacific? What developments might be expected in the transportation and communications infrastructure, energy industry, fishing, and so forth that could affect Russia's capabilities and interests in the region over the next ten to 15 years?

Today, economic strength and technological capability represent the single greatest defining element of Asian identity. Current trends in the evolution of power—the relative decline of U.S. influence and the ascendancy of Japan and China—are driven primarily by economic factors. In this environment, even more than in Europe or Central and South Asia, Russia will need to revitalize its national economy and develop the Russian Far East in order to wield influence in East Asia.

Economic development is also crucial to the development of Russian democracy, and this paper argues that a democratic Russia will be less aggressive in foreign policy than an authoritarian Russia. Of course, a market economy can coexist with an authoritarian political system. But if Russia can achieve respectable economic growth and, more important, create a strong middle class with participatory ideals and a vested interest in stability, the prospects for continued democratic evolution will be strengthened.

Asia's growing prosperity rests on trade. Russian officials at the highest level recognize this, and have stated their intention to participate in Asia's future. Asian countries accounted for 25 percent of total

world merchandise trade in 1991, or about \$883 billion.⁴³ Trade between the former Soviet Union and the entire Asia-Pacific Region in 1991 was just under \$20 billion; in 1992 it declined to only \$9.5 billion as Russia's overall economic performance deteriorated.⁴⁴ This is about one-fourth the size of China's trade with the United States, and less than half the yearly trade between Singapore and the United States.

Clearly, by this measure Russia has not exerted a commanding presence in the Asian-Pacific economy, although Russian commerce may significantly affect discrete sectors of certain smaller nations. However, Foreign Minister Kozyrev has stated that one-third of Russia's trade is with Asia, and this percentage is expected to grow over the next decade.

Russia's position in the Asian-Pacific economic order is constrained by geography, weak infrastructure, a sparse population, and past Soviet neglect. The possibility of expanding Russian economic influence in the near future is constrained by incoherent taxation and investment policies, nationalist opposition to "exploitative" foreign investment, uncoordinated and frequently contradictory economic policies followed by Moscow and the regional governments, runaway inflation and currency instability, problems of defense conversion and privatization, and massive foreign debt.⁴⁵

To become a respectable economic power in the Asia-Pacific Region, Russia must evolve beyond being simply a raw materials exporter. Russia's "predatory capitalism" encourages get-rich-quick schemes, which translate into exploiting the vast stores of coal, oil, natural gas, timber, gold, diamonds, and fish found in Siberia and the Far East.

43. In 1961 this figure was only 10 percent. *Far Eastern Economic Review Asia 1993 Yearbook* (Hong Kong, 1993), 32, 34.

44. Nikolai Solovyev, "Siberia and the APR," *International Affairs* (Moscow), no. 4 (April 1993), 27.

45. See Charles E. Ziegler, "Russia and the Emerging Asian-Pacific Economic Order," in Ramesh Thakur and Carlyle A. Thayer, eds., *Reshaping Regional Relations: Asia-Pacific and the Former Soviet Union* (Boulder, CO: Westview Press, 1993).

Asia's dynamism, however, is built on human capital, technology, value-added production, finance, and services, all sectors in which the Russian economy does not excel.

As a short-term solution to this problem, Russian officials have stressed the potential for arms sales to the region—especially to China but also to Southeast Asia. More than one-fourth of Russia's trade with China in 1992 was accounted for by the sale of Su-27 fighter aircraft and additional military hardware. Russia and Malaysia concluded a trade deal exchanging 18 MiG-29s for approximately \$1 billion in palm oil, although Malaysian military officials expressed reservations about the poor quality and high maintenance costs of Russian weapons. Moscow also negotiated with the Philippine government on a unique deal trading weapons for bananas.

Arms exports have become popular as a means of stabilizing the precipitous decline in Russia's defense industries, generating employment, earning valuable foreign currency, and giving Russia a toehold in the Asian-Pacific economy. At the present time, Russia is producing very few finished goods that are internationally competitive. To compensate for this, there are growing pressures to strengthen Russia's arms export sector. In 1993, Russia exported only \$2.1 billion worth of arms, mostly to China. This compares with \$38 billion exported by the United States.

Russian arms exports to the Asian-Pacific countries add fuel to the region's nascent arms race.⁴⁶ However, the U.S. risks exacerbating anti-American sentiment among Russian nationalists by attempting to limit Russia's arms sales abroad. As one analyst has pointed out, the increasingly costly process of producing sophisticated weaponry will confer a natural monopoly position on the United States over the

46. It is worth noting that much of the increase in East Asian military spending is a reflection of overall economic growth, and is not due to increasing the percentage of GDP allocated to defense. Asian-Pacific nations are also reorienting some of their defense spending toward protecting their exclusive economic zones.

next decade. Russia will become even more hard-pressed to compete successfully with the United States in the international arms trade.⁴⁷

Pressuring the Russian government to limit its minuscule sales would only strengthen the position of Russian nationalists hostile to the United States.

In sum, Russia's Far East is rich in natural resources, and these resources are a vitally important component of its economic future. However, exclusive reliance on unprocessed exports will perpetuate Russia's status as an economic backwater in Asia. Arms exports are only an interim solution, since much of the Far Eastern defense infrastructure has collapsed or been converted to civilian production.⁴⁸ The probability that over the next ten to 15 years the Russian Far East will develop a dynamic, high-value-added economy that will link it closely to Asian-Pacific dynamism is remote.

47. Ethan B. Kapstein, "America's Arms-Trade Monopoly," *Foreign Affairs*, vol. 73, no. 3 (May/June 1994), 13-19.

48. For example, all nuclear-powered-submarine construction in the Far East is to be phased out within three years. Norman Friedman, "World Navies in Review," *Naval Institute Proceedings*, vol. 120 (March 1994), 110-111.

Regional institutions

Russia's participation in Asian-Pacific multilateral institutions could be described as modest at best. Of course, the Asia-Pacific Region is well behind Europe in organizing multilateral forums, whether military, political, or economic. Enormous disparities in physical size, cultural background, economic power, and military strength, together with the vast distances involved, make regional integration problematic. Progress toward multilateral cooperation has been greatest in Southeast Asia, primarily in the form of ASEAN, and weakest in Northeast Asia, where it is most needed to defuse potential conflicts.

Russia became a member of the Pacific Economic Cooperation Conference (PECC) in 1992, after several years of observer status. Several Central Asian states have applied for and received Asian Development Bank (ADB) assistance; however, Russia has virtually no contact with the ADB.⁴⁹ Moscow has attended ASEAN's 1992-94 post-ministerial conferences (PMCs) on security issues as an observer. In addition, the Russian Foreign Ministry has requested Japan's support for Russian entry into the new World Trade Organization.⁵⁰ At the 1993 PMC, Foreign Minister Kozyrev proposed an Asian-Pacific regional security community, to establish conflict-prevention centers and monitor regional arms deals; Washington has endorsed the idea in principle.⁵¹

Clearly, Russia hopes to be an active participant in Asian-Pacific institutions. Since the breakup of the USSR, the United States has not

49. In early December 1994 the ADB approved a \$40 million interest-free loan to Kyrgyzstan, and a \$60 million loan to Kazakhstan. *RFE/RL Daily Report*, 9 December 1994.

50. *RFE/RL Daily Report* (29 November 1994). The WTO, it should be noted, is a global, not a regional, organization.

51. *The Economist*, 31 July 1993, 32.

objected to Russian participation in regional forums. Indeed, the U.S. has pursued an inclusionary policy toward both Russia and China, to encourage dialogue and reduce the potential for regional instability. Although Russia may be a "natural" participant in regional security forums, the same does not hold for economic groupings.

Asia's premier multilateral grouping, the APEC forum, does not include Russia among its members. APEC's prime raison d'être is the promotion of free trade in and across the Pacific. Although APEC is still in its infancy, it is the closest thing the Asia-Pacific Region has to a genuine economic "regime" (that is, excluding the subregional grouping of ASEAN).⁵² The Clinton administration's strong focus on Pacific trade cooperation has elevated the status of APEC significantly over the past two years.

APEC, after agreeing to admit Mexico, Papua New Guinea, and Chile, imposed a three-year moratorium on further broadening the organization. The Yeltsin government has expressed an interest in joining, and Foreign Ministry officials expressed resentment that Russia was excluded from the November 1994 meetings in Indonesia.⁵³ It is an implicit commentary on Russia's economic status that tiny Brunei and the anemic Philippines are included in APEC, while Russia is not.⁵⁴

In sum, Russia is and will likely remain a marginal player in East Asian regional institutions over the next decade. In part, this is a function of the low level of multilateral institutionalization in the region; in part, it is a function of Russia's marginal presence in and importance to the region. However, with the new U.S. interest in APEC, and the

52. Donald Crone, "Does Hegemony Matter? The Reorganization of the Pacific Political Economy," *World Politics*, vol. 45, no. 4 (July 1993), 501–525.

53. *Izvestiia*, 9 November 1994.

54. For a discussion of APEC's growing significance in the international economy, see C. Fred Bergsten, "APEC and World Trade," *Foreign Affairs*, vol. 73, no. 3 (May/June 1994), 20–26.

potential emergence of new security and confidence-building processes in the region, multilateralism could blossom.⁵⁵ If so, Russia may be expected to intensify its efforts to become a central participant in the process.

55. Desmond Ball argues persuasively that confidence-building structures are developing rapidly in the Asia-Pacific. See his "A New Era in Confidence Building: The Second-Track Process in the Asia-Pacific Region," *Security Dialogue*, vol. 25, no. 2 (1994), 157–176.

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Cultural factors: Is Russia Asian or European?

As a country straddling Europe and Asia, Russia faces the challenge of defining its cultural identity. In Samuel Huntington's terms, Russia is a "torn country," incorporating different civilizations.⁵⁶ Karen Brutents, an advisor to the President of the Foundation for Political Studies, takes a different perspective. Brutents argues that Russians have lived together with Tatars, Bashkirs, Kazakhs, Yakuts, Uzbeks, and other Asian nationalities for so long that their cultural perspectives are closely intertwined, linking Russia's fate with that of Asia.⁵⁷

Even with the 100 or so small nations and tribes scattered throughout its territory, residual Russia is far more ethnically homogeneous than was the former Soviet Union. The USSR in 1991 was barely 50 percent Russian. The Russian Federation, by contrast, is now 82 percent Russian.

Russia's post-independence political debates have expressed contrasting perspectives on Russia's civilizational identity. During the first two years of the new state, President Boris Yeltsin and Foreign Minister Andrei Kozyrev were harshly criticized by members of parliament and the media for tailoring Russian foreign policy to coincide with American and European interests. Russia's foreign policy community fragmented into several distinct groups, including radical reformers,

56. Samuel P. Huntington, "The Clash of Civilizations?," *Foreign Affairs*, vol. 72, no. 3 (Summer 1993), 22-49. For a discussion of Russia's position in Asia, see Milan Hauner, *What is Asia to Us?* (Boston: Unwin Hyman, 1990).

57. Karen Brutents, "Russia and the East," *International Affairs* (Moscow), nos. 1-2 (January 1994), 40-44. Many of these small Asian groups, however, may feel far more affinity for each other, or for other Asian nationalities, than for the colonial Russians—a perspective Russians seem not to understand.

moderate reformists, conservatives, and nationalists.⁵⁸

These various tendencies have frequently been grouped under two broad headings according to their geo-cultural inclinations: "Atlanticist" reformers, who looked toward Europe and the United States for support and advice; and "Eurasian" nationalists and conservatives, who are suspicious of Western capitalism and democratic processes.

Members of the Eurasian group have been highly critical of what they perceive as a misguided orientation toward the West, reflected in the reliance on Western multilateral institutions and perceived kowtowing to Washington's foreign policy interests. Even relative moderates have criticized opportunistic foreign policies relegating Russia to the role of a junior partner to the industrialized democracies.

Pressure from conservatives and moderates forced the Yeltsin administration to elevate the near abroad countries (the former Soviet republics) to a leading position in Russian foreign policy. They also have pushed the reformers to adopt a more confrontational stance in their dealings with the United States and Western Europe.

Conservatives have also urged closer ties to China, and have called for the restoration of close ties with Moscow's former client states. Many believe that a harsh approach to North Korea, for example, is counterproductive and diminishes Russian influence on the peninsula. In addition, a confrontational approach jeopardizes prospects for repayment of Pyongyang's \$3.6 billion debt, and undermines plans for construction of the planned natural gas pipeline from Sakha (Yakutia) through North Korea to South Korea.⁵⁹ Moderates believe that such an approach undercuts Russia's potential for leverage in Korea.

58. See Alexei G. Arbatov, "Russia's Foreign Policy Alternatives," *International Security*, vol. 18, no. 2 (Fall 1993), 5-43.

59. Yevgeny Aleksandrov, "Immoral Position: Russia and Nuclear Security in Korea," *Pravda*, 7 May 1993, in *CDPSP*, vol. 45, no. 18 (1993), 21-22.

Asian countries, as some influential observers have noted, are economically and historically comparable to the new Russian state, and should occupy a position in Russia's foreign policy equal to that of the Western nations.⁶⁰ Conservatives and nationalists preoccupied with their country's disintegration have viewed Asia—particularly Japan, China, and South Korea—as examples of how satisfactory economic growth could be achieved under the guidance of an activist state. When the Russian government undertook to reorganize its Council on Industrial Policy in the fall of 1993, it chose as a model Japan's MITI.⁶¹

The strong state or corporatist model is more appealing to Russian nationalists than a laissez faire political economy. This model is better able to regulate foreign trade and investment, and in general coincides more closely with the traditional values of authoritarian Russian political culture.⁶²

Speculation has centered on the possible emergence of a Russian neo-imperial movement seeking to reassert control over the former Soviet republics. Reportedly, many officers in the Russian armed forces resent the humiliation of the loss of empire, and might be tempted to use force to bring at least some of the republics under Moscow's sovereignty. Russian military actions in Tajikistan, Chechnya, and Georgia, disputes over the Black Sea Fleet and nuclear weapons deployed on Ukrainian soil, and the rogue 14th Army in the Transdnestr have raised legitimate concerns about Russian intentions.

60. See, for example, the article by Presidential adviser Sergei Stankevich, "A Power in Search of Itself," *Nezavisimaia gazeta*, 28 March 1992, in *CDPSP*, vol. 44, no. 13 (1992), 1–4.

61. *Izvestiia*, November 9, 1993.

62. It is worth noting that a symposium of prominent Russians and Japanese met in Moscow in July 1992 to assess the relevance of the Japan's experience for Russia in the metallurgy and machine building, energy, chemical industry, transportation, and distribution sectors. The proceedings were published as *Iaponskaia ekonomicheskaiia model': vozmozhnosti primeneniia v vozrozhdaishcheisia Rossii* (Moscow: Kompas interneshil, 1992).

Russia's conservatives are divided on the issue of restoring the empire. The most vocal and nationalistic figures, such as Liberal Democratic Party leader Vladimir Zhirinovskiy, have criticized the Yeltsin government for shirking its responsibilities in maintaining stability on the bordering states of Central Asia, and for neglecting the safety of millions of Russians living in that region. The far right wing has accused Yeltsin and Kozyrev of virtually abandoning North Korea and Vietnam, formerly "loyal" allies of the Soviet Union. Moscow's willingness to work closely with the United States and the United Nations in pressuring Pyongyang to adhere to the Non-Proliferation Treaty, for example, is perceived by many as capitulation to Western demands.

The military's support for President Yeltsin during the October confrontation with the Parliament, however tentative it may have been, strengthened this institution's political position and claims to a greater share of the state budget. In addition, the strong showing of former communists and ultra-nationalists in the December 1993 parliamentary elections is pushing Yeltsin's government toward a more assertive and nationalistic Russian foreign policy. Taken together, these developments appear to be distancing Russia from cooperation with the West and, by extension, moving Russia closer to Asia.

To summarize, Russia appears to be, as the nationalists argue, neither European nor Asian. But this does not mean that Russia's cultural distinctiveness facilitates closer cooperation and understanding with Asia. Nationalist pressures may isolate Russia from the Western mainstream, but are not likely to secure an Asian place for Russia. The cultural distance between Russia and Asia will not be surmounted in ten to 15 years.

Internal factors: Possible regime scenarios

Although there are many constants in Russia's Asian policy, regime changes in Moscow could entail significant policy variations over the next ten to 15 years. This section considers the likely directions of Russian foreign policy under the following scenarios: the democratic reform process continues; a moderate/conservative nationalist government comes to power; an extreme nationalist regime comes to power; the Russian military takes power in a coup.

Continued dominance of reformers

The most likely possibility (50-percent chance) is that the moderate reformers (led either by Boris Yeltsin or by like-minded democrats) will continue to implement their programs. In this scenario Russia continues to build a democratic, constitutional political system, although the process may be less than smooth.

It is important to emphasize that the reformers, under the influence of public opinion and pressure from the more nationalistic political forces, have already moved toward a foreign policy that is more nationalistic than the one they held during the first year of Russia's independence. This is to be expected, and is not necessarily an unhealthy phenomenon. Nor is it necessarily a matter of concern for U.S. policy makers. A certain amount of nationalism is needed to restore wounded pride following the USSR's loss of superpower status.

In terms of Asian-Pacific policy, the reformers may be expected to continue the basic directions of Russia's policy, whether the Yeltsin/Kozyrev foreign policy team remains in power or not. Central Asia and Northeast Asia (China, Japan, and the Korean peninsula) will remain by far the most significant regions; Southeast Asia and the Pacific island nations much less so. China would continue to be the most important country in Russian calculations, for several reasons.

In the short and long terms, China will be important as a trading partner. The benefits are especially apparent for the more remote border regions in Siberia and the Russian Far East.

Russia under moderate/conservative nationalists

A second possibility (accorded a 25-percent chance) is that moderate and more conservative Russian nationalists (Aleksandr Rutskoi, Aleksandr Lebed) assume control of the presidency and Parliament through constitutional means. Under this scenario, the new Russian leaders would continue to respect the basic provisions of constitutional democracy internally, but would adopt a more aggressive foreign policy stance. One primary concern for this group has been the protection of Russian speakers in the former Soviet republics.

These conservative nationalists would likely be more aggressive in the exercise of Russian influence in the near abroad, and would reject attempts by the United States, the UN, or other international organizations to restrain Moscow's options in these areas. They conceptualize foreign policy in terms of spheres of national interest. For them, Ukraine, Belarus, and Russian-dominated northern Kazakhstan are natural partners of the Russian Federation. Although they may not actively push for the reintegration of these regions into a Russian-dominated federation, they assume that these regions, together with the other CIS states, will "naturally" move toward a stronger economic confederation with the Russian Federation.

In terms of Asia-Pacific policy, the conservative nationalists would not differ much from the moderate reformers. Central Asia and Northeast Asia will remain the priority, largely for geopolitical reasons. In relative terms, however, a conservative nationalist government could be expected to rank Asia higher in Russian priorities than would the moderate reformers. There could be a distinct shift toward closer ties with the more authoritarian Asian systems, especially China.

On the question of the Kuriles, this government would be somewhat less inclined to strike a deal with Japan than the reformers. This group is committed to preserving the remaining "Russian" territory

in its present borders, arguing that too much was already "given away" with the breakup of the USSR.

Extreme nationalists in power

A third possibility (assigned a 5- to 10-percent chance at best) is that the far-right Russian nationalists could come to power, either constitutionally or by extra-constitutional means. Vladimir Zhirinovsky is at present the chief representative of this tendency.

Major changes in foreign policy could be expected from this group. Some might be willing to reconstitute the former Soviet Union by force, although opinion polls indicate they would have very little support for this among the general population. A national-extremist government would very likely be more confrontational with the United States and other Western nations. A central part of Zhirinovsky's "platform" is the reorientation of Russian foreign policy toward the East and (especially) the South (Central Asia and the Caucasus).

Zhirinovsky himself is from Kazakhstan, and exemplifies the perspective of Russian "colonialists" in that region. Russia's natural allies, he argues, are the peoples of the South and East, not the West. Furthermore, a government of national extremists might use force to attempt to reincorporate part or all of Kazakhstan into the Russian Federation. Although such action would not directly threaten U.S. vital interests, it could erode much of the recent progress in Sino-Russian relations, and would jeopardize Central Asian-Russian cooperation through the CIS.

Public opinion, however, is not likely to support the extreme nationalists' imperial objectives. The Russian public was clearly disillusioned with the intervention in Afghanistan, and is suspicious of the utility of military force. It is revealing that military intervention in Chechnya, an autonomous republic of the Russian Federation, has been strongly criticized both by the general population and by major military figures. Forcible attempts at power projection in the Asia-Pacific Region would be even less popular. This anti-imperial sentiment may be expected to constrain foreign policy adventurism for at least the next decade.

Military coup

One final development, to which I have assigned a higher probability than that of the Russian national extremists coming to power, is the possibility of a military coup. At present I would suggest a 20-percent probability of this happening, with the odds against it increasing as Russia's fragile democracy becomes more institutionalized and economic reforms take hold.

A Russian military government might come to power, as a reaction to the "humiliation" of the breakup of the USSR, the withdrawal from Eastern Europe, and the neglect of the armed forces. This could also happen were the military to be increasingly drawn into the process of maintaining domestic order, which could contribute to demoralization in the ranks. At the present time, the military is suffering from extremely low morale. A large proportion of recruits are avoiding conscription. Few young men see any future in the military. The swollen Russian officer corps has experienced housing shortages and low pay, and has seen many of its former perks disappear.

A military government would likely be more aggressive than the reformers in defense of perceived Russian national interests, but this does not mean that they would necessarily revert to Soviet expansionist policies. Politically, the military is divided. Some are conservative nationalists; others, democrats; and still others, communists.

Were a military government to come to power, we could expect a more aggressive defense of Russia's borders, to stem the trade in illicit drugs, weapons, and so forth. This coincides with U.S. interests to the extent that porous Central Asian borders have provided openings for drug traffic that eventually reaches America. A military government would likely prove more confrontational over the stationing of Russian troops in former republics (Ukraine, Moldova, Tajikistan, and so forth), but the foreign policy focus would be primarily on the security hot spots in the South and West.

Much of a military government's efforts would go into restoring the well-being of Russian officers by increasing the military's share of the budget, improving housing, and other amenities. A military government would be constrained by public opinion, which is clearly

opposed to foreign adventurism. In addition, leading military figures, such as General Lebed, appreciate the limits of military power in solving political problems, as evidenced by military opposition to the use of force against the Chechens. As long as domestic issues remain at the top of the agenda, we should not expect public support for military expeditions that would drain the state treasury.

Conclusions and recommendations

This report draws the following conclusions:

- Northeast Asia will retain third place in Russia's foreign policy over the next ten to 15 years, but its importance can be expected to increase relative to Western Europe and the United States.
- China will remain central to Russia's Asian policy. Russia and China share a number of common interests—in expanding trade, maintaining political stability in China and Russia, maintaining stability in Central Asia, and preventing the nuclearization of Japan. The major problem in the future would likely relate to uncontrolled population migration should China fragment.
- Japan and the Korean peninsula will also become more important for Russia. However, this report suggests that the territorial dispute will not be resolved in the near future, and will therefore constrain the development of Russian–Japanese political and economic relations. Good political relations between Russia and South Korea may be projected for the next decade, although Russia's economic problems will constrain business ties.
- Central Asia can be expected to grow in importance. Russia already has some 10,000 troops deployed in a peacekeeping role in Tajikistan. Kazakhstan with its 7 million Russians may be a future ethnic flashpoint. Overall, Central Asia will continue to be an integral part of Russia's efforts at reintegration through the CIS.
- Siberia and the Russian Far East have great economic wealth and potential, but, although some progress in economic development is to be expected, it is highly unlikely that the region

will be transformed into an economic dynamo resembling Hong Kong or Singapore, much less Japan. This will objectively limit Russian participation in Asian-Pacific regional structures for the period under discussion.

- It is highly unlikely that Russia will attempt to reconstruct the military force necessary to project power into the Asian-Pacific Region. Moscow has neither the capabilities nor the intent, and public opinion would not support such a move. Only the most extreme nationalist forces, who are not likely to gain power, would contemplate this course of action.

The following are recommendations for U.S. policy, based on this study's findings:

- The United States should continue to encourage and assist the process of defense conversion, to civilianize the Russian economy. The Russian Far East's economy has been heavily dependent on the defense industry in the past. The collapse of much of the defense industry has contributed to social dislocation in the region. Continued progress in defense conversion would strengthen the regional economy, and would reduce domestic pressures for expanding arms sales in order to buoy this sector of the economy. This in turn might help slow the arms build-up in East Asia.
- The United States should continue to encourage and support the development of a market economy in Russia, especially growth that contributes to the development of a strong middle class. This will strengthen the democratization process, which will in turn undermine support for aggressive nationalists seeking to reassert a stronger Russian military presence in the Asia-Pacific.
- The United States should support Russian participation in the emerging economic, political and security structures in the Asia-Pacific Region. Much of the current resentment directed against the United States stems from the perception that America is trying to relegate Russia to the status of a junior partner in world affairs. Russia has indicated a desire to participate in APEC, the ADB, and emerging regional security institutions.

The United States has no real interest in opposing Russian participation in these fora, since Russia has neither the political nor the economic clout in the region to be a spoiler. Efforts to exclude Russia from participation in regional institutions could generate a backlash, and should be avoided. An inclusionary strategy is preferable.

- The United States should also be willing to involve Russia in negotiations on the Korean nuclear issue, although not all of Moscow's proposals (for a multilateral conference, for example) may be helpful. Russia has only residual influence with Pyongyang, but again the point is to avoid a policy of exclusion that would fuel Russian nationalism. In any case, Russia has been supportive of U.S. efforts to denuclearize the peninsula.
- Given heightened regional uncertainties in the post-Cold War era, the United States should be extremely cautious in drawing down military forces stationed in the Asia-Pacific. A U.S. presence is extremely important to maintaining the regional balance of power. An abrupt withdrawal of U.S. naval forces could facilitate regional competition between Japan and China, which in turn could result in renewed Russian attention toward the region. An American withdrawal would also likely accelerate the incipient arms race, as the Asian-Pacific states seek insurance against Chinese or Japanese expansion.

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